



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities,
and Substance Abuse Services**

3001 Mail Service Center • Raleigh, North Carolina 27699-3001

Tel 919-733-7011 • Fax 919-508-0951


Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

November 7, 2006

MEMORANDUM

TO: LME Directors

FROM: Mike Moseley 

SUBJECT: National Accreditation for LMEs

The decision to have utilization review functions for Medicaid services performed by ValueOptions has called some LME directors to question the rationale and even the ability of Local Management Entities (LMEs) to achieve national accreditation under behavioral healthcare standards. The Division plans to study this matter further before making a final decision. However, we do recognize that there are some timing issues related to national accreditation that are causing some difficulties which we want to address at this time.

The current DHHS/LME contract requires the LME to demonstrate "progress in the process to obtain accreditation from a national accrediting body under behavioral healthcare standards" within three (3) years from the date of signing the contract. That means many LMEs must demonstrate such progress by July 1, 2007. However, at the same time, we know that several LMEs are actively engaged in merger conversations and it is not possible to pursue national accreditation until the organizational structure is finalized. In addition, due to the significant delay in receiving approval from the Centers for Medicare and Medicaid Services (CMS) for the new service definitions, there is currently a disconnect between the date by which providers must achieve national accreditation and the similar requirement for LMEs. In order to provide additional time to study this issue, allow the mergers that are currently under discussion to be finalized, and bring the requirements for LMEs and providers into closer alignment, we have decided to announce at this time that if the requirement for national accreditation remains in place for LMEs, the earliest date by which that requirement will be enforced will be March 20, 2009.

We will continue to engage in discussions with you as we deliberate further on the issue of national accreditation for LME functions. Please contact your LME Liaison if you have questions.

cc: Carmen Hooker Odom
Allen Dobson, M.D.
Dan Stewart
DMH/DD/SAS Executive Leadership Team
State Facility Directors
Patrice Roesler
Yvonne Copeland
Chair, Commission for MH/DD/SAS
Chair, Coalition 2001

Chair, State CFAC
Sharnese Ransome
Kory Goldsmith
Andrea Russo
Kaye Holder
Wayne Williams

